

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-01 RSC-01 AID-05 CIEP-01 SS-15

STR-01 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

/083 W

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R 031947Z FEB 75

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 2721

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E.O. 11652: N/A

TAGS: ETRD

SUBJECT: GUIDANCE ON THE TRADE REFORM ACT

1. SOON AFTER PASSAGE OF THE TRADE REFORM ACT, THE DOMINICAN OFFICIAL PRIMARILY RESPONSIBLE FOR HANDLING TARIFF NEGOTIATIONS, FERNANDO PERICHE VIDAL, EXECUTIVE DIRECTOR OF THE DOMINICAN CENTER FOR EXPORT PROMOTION, GAVE A STATEMENT TO THE PRESS TO THE EFFECT THAT THE NEW TRA WOULD ADVERSELY AFFECT THE DEVELOPMENT OF FREE TRADE ZONES IN THE DOMINICAN REPUBLIC.

2. WHEN ASKED PRIVATELY WHAT SPECIFICALLY HE HAD IN MIND, PERICHE REPLIED THAT HE UNDERSTOOD FROM INFORMATION HE HAD RECEIVED FROM WASHINGTON THAT ITEMS IMPORTED FROM THE US, PROCESSED IN THE FREE TRADE ZONES, AND THEN RE-EXPORTED TO THE US, WOULD, UNDER THE NEW TRA, BE TAXED AT FULL VALUE INSTEAD OF, AS FORMERLY, ON THE BASIS OF VALUE ADDED.

3. OVER THE PAST WEEKEND LEADING DOMINICAN NEWSPAPERS QUOTED PRESIDENT BALAGUER AS SAYING GODR STILL STUDYING TRA. THE LISTIN DIARIO STORY REPEATS EARLIER PERICHE COMMENTS ON FREE TRADE

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ZONES.

EL CARIBE'S ACCOUNT FOLLOWS A DIRECT QUOTE OF PRESIDENT  
BALAGUER WITH THE STATEMENT: QUOTE LOCAL EXPERTS HAVE WARNED THE  
GOVERNMENT THAT THE AMERICAN LEGISLATION COULD HAVE A NEGATIVE  
EFFECT ON GOVERNMENT PROGRAMS TO PROMOTE INDUSTRIAL FREE ZONES  
UNQUOTE.

4. ACTION REQUESTED: PLEASE ADVISE EMBASSY WHETHER DEPARTMENT  
BELIEVES THERE ARE ANY PROVISIONS IN THE TRA WHICH WOULD MODIFY  
TARIFF TREATMENT OF ITEMS PROCESSED IN FREE TRADE ZONES OR  
WHETHER THERE ARE OTHER PROVISIONS WHICH MIGHT ADVERSELY AFFECT THE  
DEVELOPMENT OF SUCH ZONES OTHER THAN ANTICIPATED TARIFF REDUCTIONS.  
HURWITCH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE LAW, PRESS COMMENTS, FOREIGN POLICY POSITION, FREE TRADE AREAS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SANTO00547  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750039-0630  
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**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <08 SEP 2003 by KelleyW0>; APPROVED <09 SEP 2003 by GolinoFR>  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GUIDANCE ON THE TRADE REFORM ACT  
**TAGS:** ETRD, DR, (PERCHE VIDAL, FERNANDO), (BALAGUER)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006